



United States Department of the Interior

MINERALS MANAGEMENT SERVICE

DISTRICT MINING OFFICE

500 GOLD AVENUE, S.W., ROOM 116
ALBUQUERQUE, NEW MEXICO 87102

Confidential Claim Retracted

Authorized by: *[Signature]*

Date: *6/12/83*

NOV 17 1982

McKague

Memorandum

BUREAU OF INDIAN AFFAIRS
RECEIVED

To: Area Director, Albuquerque Area Office, BIA
Attention: Real Property Management

NOV 18 1982

From: District Mining Supervisor, Albuquerque District

LAGUNA AGENCY

Subject: Performance bond for the Jackpile-Paguate Mine, Anaconda Minerals Company, Pueblo of Laguna Uranium Leases 1, 4 and 8

Anaconda Minerals Company currently maintains a performance bond of \$30 million to satisfy reclamation requirements for the subject leases. February 5, 1982, I recommended that this bond be increased to \$60 million, and you requested such an increase from Anaconda February 16. My February 5 recommendation was based upon our estimates of the reclamation costs and volumes of materials to be involved. These estimates were necessary because Anaconda had withdrawn its reclamation plan in August 1981 and had not provided any additional data on anticipated reclamation costs and materials volumes.

In March 1982, Anaconda submitted a revised reclamation plan for the subject leases, and August 6, 1982, Anaconda provided additional data on anticipated reclamation costs and materials volumes. Anaconda estimates that the total reclamation cost could range from \$39.5 million to \$42.4 million depending on the costs of contractual services at the time of reclamation. We have reviewed Anaconda's estimates and have made independent estimates of the reclamation costs. Accordingly, we have determined that a performance bond of \$40 million would satisfy the reclamation requirements of the leases and encourage Anaconda's diligent fulfillment of its obligations under the leases. Anaconda's written agreement with the Pueblo of Laguna and the efforts of the Jackpile-Paguate EIS Technical Committee provide additional assurance for mutual agreement on reclamation requirements for the leases.

I hereby modify my February 5 memorandum to recommend that the subject performance bond be increased to \$40 million, and I recommend that you revise your February 16 request accordingly. The bond or suitable securities should be provided within 90 days of your request, and you should also consider requesting that the bond or suitable securities be provided by Anaconda's parent company, the Atlantic Richfield Company, since Anaconda has now diverted many of its assets. Furthermore, I believe that your request for the increased bond should assure Anaconda that portions of the bond may be released as reclamation of the leases is completed.

If you have any questions or desire further assistance, please contact me.

(ORIG. SCD) DALE C JONES

Dale C. Jones



9384183

CONFIDENTIAL

POL-EPA01-0008282